

30 October 2009

Aim

The Trust's objective is to increase its total return above the benchmark index of 50% FTSE All-Share and 50% FTSE All-World Index (ex UK sterling adjusted) over the long term, by investing in UK and international securities. The strategy of the Trust is designed to meet the requirements of those seeking a single investment in a diversified and professionally managed portfolio.

Risks & Features

Investment trusts are quoted companies listed on the London Stock Exchange. Their share prices are determined by factors including demand, or lack of, which means that the shares may trade below (at a discount to) or above (at a premium to) the underlying net asset value.

The Trust seeks to enhance returns for its shareholders through gearing, in the form of long-term, fixed rate debentures. Gearing can boost the Trust's returns when investments perform well, though losses can be magnified when investments lose value. You should be aware that this Trust may be subject to sudden and large falls in value and you could suffer substantial capital loss.

History

The Trust was formed from the Brunner family's interest in the sale of Brunner, Mond & Co, the largest of the four companies which came to form ICI in 1926. The Trust has been managed by RCM (a subsidiary of Allianz Global Investors formerly Kleinwort Benson) since inception.

Fund Managers' Review



Mark Lovett



Lucy MacDonald

World Equity markets fell back from yearly highs in October, with the Brunner benchmark falling over 3% during the month. The first half of the month saw a continuation of the positive performance which has been prevalent since March, as third quarter US GDP advanced at a higher than expected rate and a number of European data points exceeded expectations. These gains were quickly erased however in the second half of the month as UK GDP declined for a sixth consecutive quarter and ING and Lloyds Bank both announced rights offering to meet European regulations. This news, coupled with poor earnings updates from some of the lower quality US Banks dragged the market lower.

The portfolio performed in line with the benchmark in this environment. International Personal Finance, a UK based lender specialising in unsecured personal loans in Eastern Europe, was the best performer within the portfolio after announcing that full year results are likely to be materially ahead of estimates. Online retailer Amazon also had a great month, after third quarter profits surged 69% and the company predicted bumper Christmas sales. Defensive holdings such as Unilever, Danone and Glaxosmithkline were also among the best performers. The worst performers were Intermediate Capital Group and US higher education provider Apollo, which announced that its accounting was being investigated by the US government.

Key Information

Total Assets:	£249.7m
Gearing (net):	13.6%
No. of Shares (Ordinary 1p):	46,533,305
Share Price¹:	347.5p
Net Asset Value²:	417.3p (393.6p – debt at market value)
Premium/-Discount to NAV²:	-16.7% (-11.7% – debt at market value)
Dividend Yield²:	3.37%
No. of Holdings:	122

All data source RCM (UK) Limited as at 30.10.09 unless otherwise stated.

Launch Date:	January 1927
AIC Sector:	Global Growth
Benchmark:	50% FTSE All-Share Index 50% FTSE All-World ex UK Index
Year end:	30 November
Annual Financial Report:	Final posted in February, Half-yearly posted in July
AGM:	March
Dividends:	March, August
Price Information:	Financial Times, The Daily Telegraph, www.rcm.com/investmenttrusts
Board of Directors:	Keith Percy (Chairman), Vivian Bazalgette, Ben Siddons, William Worsley, Richard Wakeling
Investment Manager:	Mark Lovett, CIO, UK & European Equity Lucy MacDonald, CIO, Global Equity RCM A company of Allianz Global Investors
Investor Services:	020 7065 1407

¹Source: Lipper as at 30.10.09, market close mid price.

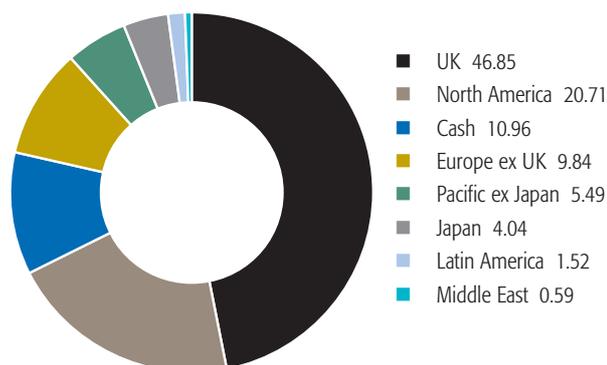
²Source: Datastream as at 30.10.09. Calculated using the latest full year dividend divided by the current share price.

³A trust's net asset value (NAV) is calculated as available shareholders' funds divided by the number of shares in issue, with shareholders' funds taken to be the net value of all the company's assets after deducting liabilities. In line with current industry best practice NAVs are now shown that take into account the 'fair value' of debt. This means NAVs are calculated after allowing for the valuation of debt at fair value or current market price, rather than at final repayment value. NAVs with debt at market value provide a more realistic impact of the cost of debt, and thus a more realistic discount. It is the capital NAV that is shown, which excludes any income.

Top Ten Holdings (%)

Name	%
4.75% UK Government Stock 2010	6.1
HSBC	4.4
Royal Dutch Shell "B" Shares	3.4
GlaxoSmithKline	3.3
BP	2.7
Vodafone Group	2.5
BG Group	2.2
Unilever	2.1
2.5% UK Government Index-Linked 2020	2.0
4% UK Government 2022	2.0
Total	30.7

Geographic Breakdown (%)



Changes in rates of exchange may cause the value of investments and the income from them to go down or up.

How to Invest?

The Trust is a UK public limited company traded openly on the stock market. You can purchase shares through a stock broker.

RIC: BUT **SEDOL:** 0149000 **ISIN:** GB0001490001

Shares in the Trust can be held within an ISA and/or savings scheme and a number of providers offer this facility. A list of suppliers is available on our website www.rcm.com/investmenttrusts or from the AIC at www.theaic.co.uk

Please note: Our Investment Trust Savings Plan was closed and transferred to Alliance Trust Savings on 29 February 2008. Alliance Trust can be contacted on 01382 573 737 or contact@alliancetrust.co.uk

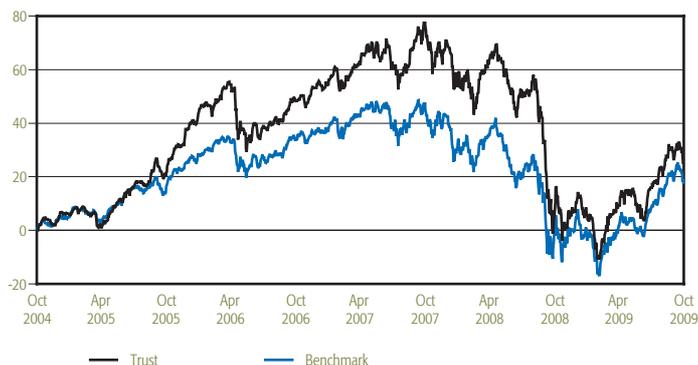
RCM Advantage

RCM and its predecessors have been managing investment trusts since 1889, providing investors with access to investment markets around the world through professionally managed portfolios. Each trust benefits from the expertise of the RCM fund managers yet, as a company listed on the London Stock Exchange, it is independent and is overseen by its own Board of Directors.

RCM is the global equity specialist within Allianz Global Investors. With offices strategically located in the US, Europe and Asia, RCM uses its global research platform to search out investment opportunities.

Performance

Five Year Trust Performance (%)



Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	7.42	13.93	17.00	-15.71	25.00
Benchmark	8.20	15.37	17.63	-12.35	17.27

Standardised Past Performance (%)

From	30.09.04	30.09.05	29.09.06	28.09.07	30.09.08
To	30.09.05	29.09.06	28.09.07	30.09.08	30.09.09
Share Price	26.90	13.73	16.57	-21.14	-2.04

Source: Lipper, percentage growth, mid to mid, capital return, to 30.10.09
Benchmark: 50% FTSE All-Share Index/50% FTSE All-World ex UK Index. Note the benchmark was 60% FTSE All-Share and 40% FT/S&P World Index (ex UK sterling adjusted) up to 26th March 2008.

Standardised past performance figures comply with the Financial Services Authority's regulations to enable investors to compare different products from different providers.

Past performance is not a reliable indicator of future performance. You should not make any assumptions on the future on the basis of performance information. The value of an investment and the income from it can fall as well as rise as a result of market fluctuations and you may not get back the amount originally invested.

This investment trust charges 70% of its annual management fee to the capital account and 30% to revenue. This could lead to a higher level of income but capital growth will be constrained as a result. Your capital could also decrease if income paid out of capital exceeds the growth rate of the trust.

All data source RCM (UK) Limited as at 30.10.09 unless otherwise stated.

Issued by RCM (UK) Limited. Authorised and regulated by the Financial Services Authority. The information contained herein including any expression of opinion is for information purposes only and is given on the understanding that it is not a recommendation and anyone who acts on it, or changes their opinion thereon, does so entirely at their own risk. The opinions expressed are based on information which we believe to be accurate and reliable, however, these opinions may change without notice.